

**Single Process Initiative
for
Geographic Field Offices**

A Marketing Approach

**Presentation for Maj. Gen. Robert W. Drewes
April 15, 1997**

SPI - A Marketing Approach

- Background
- Defining the Expectation Resulted in a Shift
from Expected Activity to Results
- Topic Overview

Marketing Concepts

Tools

Management Councils

Results and Issues

SPI Challenges

Geographic Field Offices

- Large Number of Contractors
- Distributed Locations
- Multiple Prime / Subcontract Arrangements
- Expanded Customer Base
- Limited Contractor Support Capability
- Limited \$ Potential
- Field Office Resource Constraints

How Do We Implement SPI ?

- Focus on “Important Few”
- Tailor Program to Geographic Mission
- Streamline Process to Attract Smaller Contractors
- Actively Encourage Contractors to Participate
- Expand Role of Management Councils

BOTTOM LINE: We need to “**MARKET**” This Product

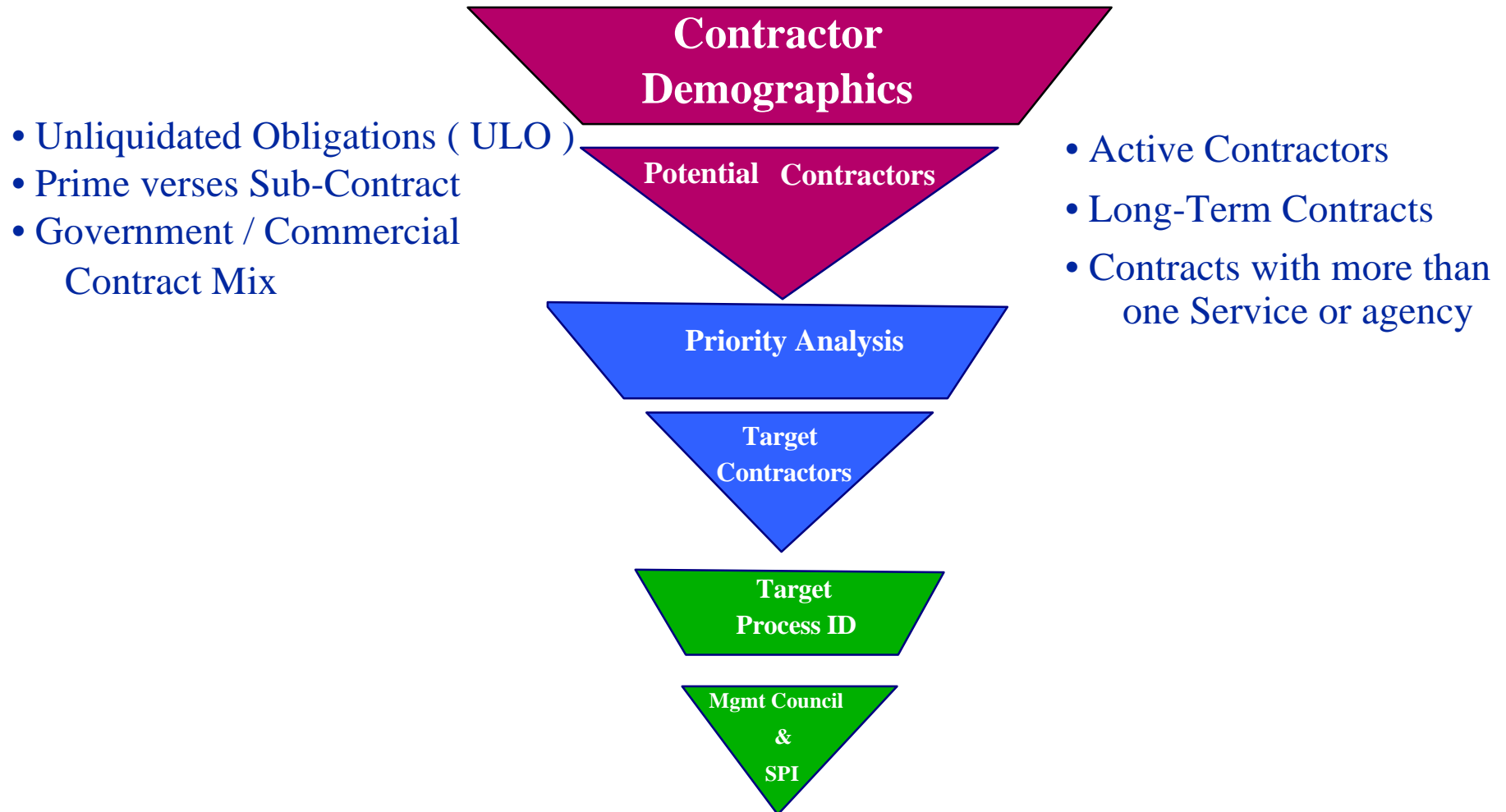
Single Process Initiative

A Marketing Approach

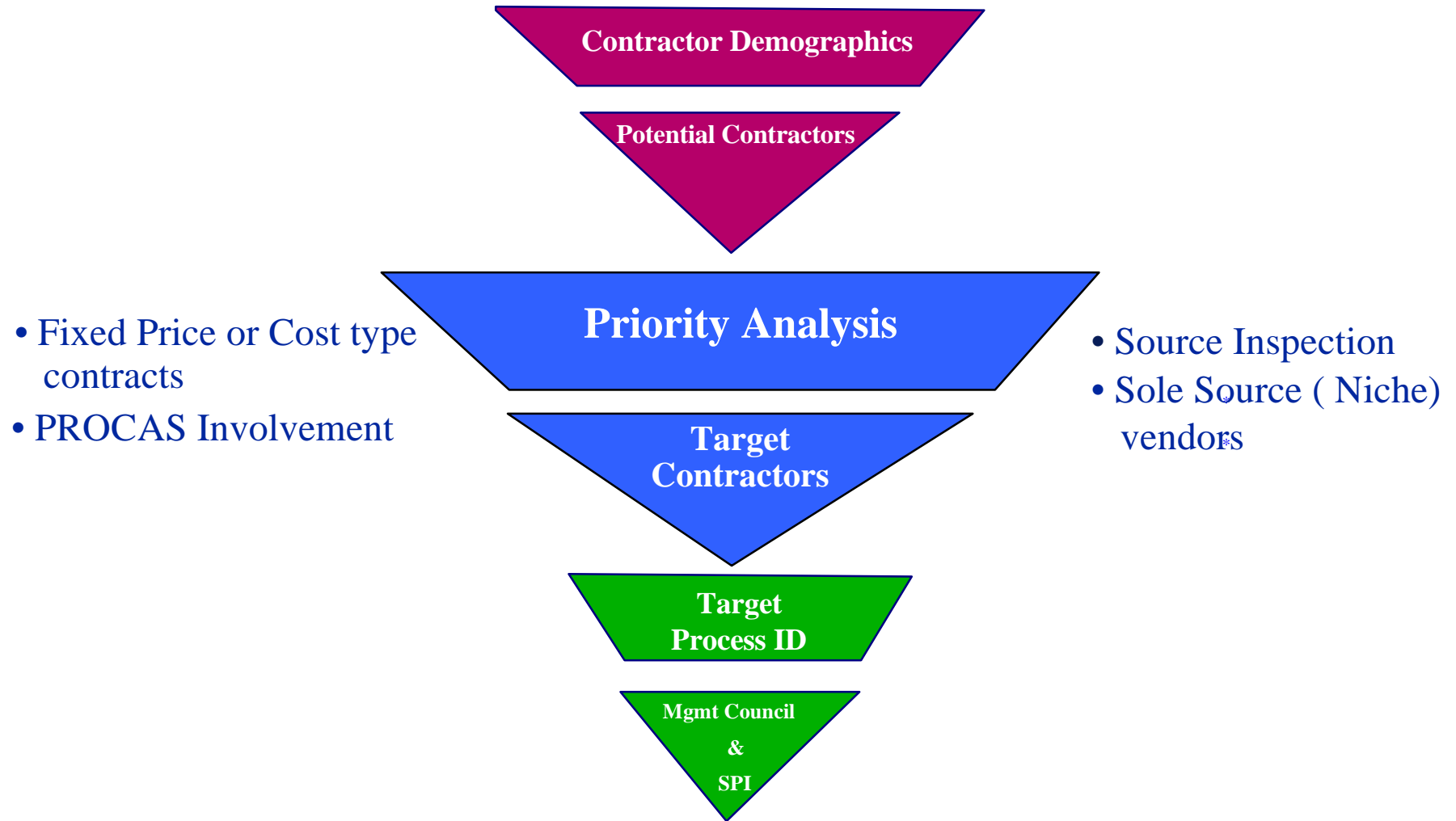
Elements :

1. Target “High Potential” Contractors
2. Develop Specific Contractor Profiles
3. Develop Tightly Focused “Marketing Presentation”
4. Initial Top Management Involvement / Commitment
5. Expand Management Council Role
6. Aggressive Follow-up - Command & Control

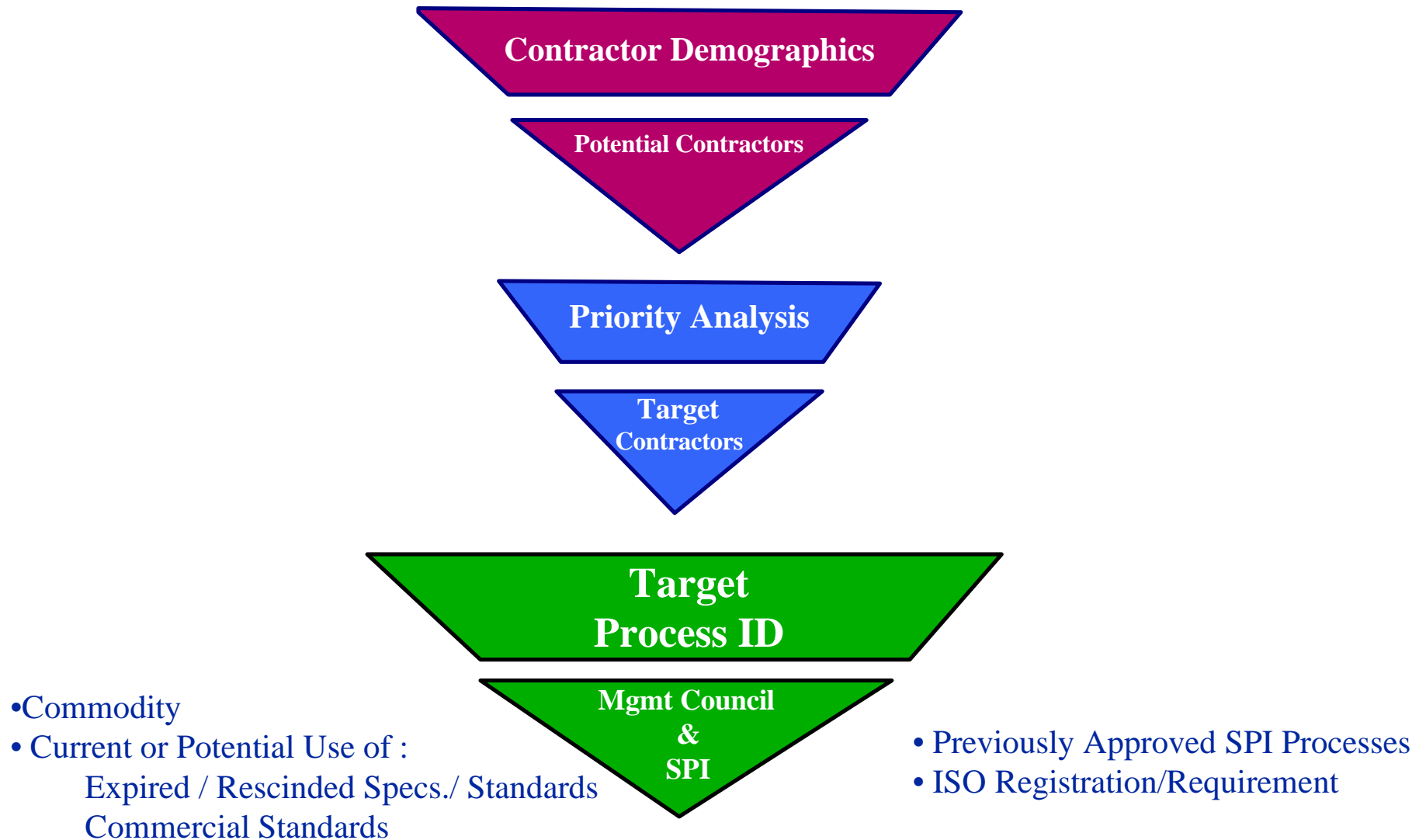
Targeting High Potential Contractors



Targeting High Potential Contractors



Targeting High Potential Contractors



SPI Streamlining Tools

- Contractor Profiles & Marketing Plans
- Forms and Letters
- Contractor “Sales” Tools

DCMC San Francisco - Sacramento

Contractor Profile

Contractor: AAA- San Rancho Ca

DCMC Focal Point: Program Integrator, Team Leader AAAA, (916) 123-456 X789

Previous SPI Contacts

1. SPI discussion conducted at DD form 250 training conducted by the QAR January 2, 1997 AAA included QA Manager.
2. SPI discussion held during Technical visit on March 12, 1997 by CAO Rep, Engineer and QAR Teledyne Personnel included QA Manager.
3. SPI Overview Conducted by DCMC, Team Leader, and AAA, Vice President, April 15, 1997.

Prospect Target: AAA Vice President, San Rancho CA.

Customer Involvement:

<u>CUSTOMER</u>	<u>POINT OF CONTACT</u>	<u>PHONE NO.</u>	<u>CONTRACT NO.</u>
Warner Robins ALC	Jane	(912) 987-6543	F09603-94-D-xxxx
Fort Monmouth	Mary	(908) 543-2109	DAAB07-95-C-xxxx
NICP Mechanicsburg	Betty	(717) 789-0123	N00104-96-D-xxxx
Warner Robins ALC	Jane	(912) 901-2345	F09603-96-C-xxxx
BBB	Gilbert	(410) 765-4321	86CA-DJ-xxxx F08635-95-C-xxxx
CCC	Shiela	(603) 888-8888	SA-96-C-xxxx
BBB	Joe	(708) 222-2222 X2222	F33657-90-C-xxxx
CCC	Gloria	(410) 765-4333	86WA-DJ-xxxx F09603-93-G-xxxx

Planned Approach:

To be determined after the April 15, 1997 meeting.

Current Business Base:

Contract Types	Quantity	Obligated \$	Unliquidated\$
Government	44	\$XX,586,788.86	\$X,X22,848.56
Part A	41	\$XX,586,788.86	\$X,X22,848.56
Part B	3	0	0
Commercial	20%		
TOTAL			

Products: AAA Manufactures and repairs Military Vacume Cleaners

Opportunities for SPI:

1. Multiple QA systems imposed by contract. Contractor is certified to ISO 9002 since November 16, 1995.
2. Different Shipping and Packaging requirements for similar tube types.
3. Similar tubes manufactured for both Government and Commercial customers with different specifications.
4. Similar tubes manufactured for various Government customers with different specifications.
5. Source control requirements when specification control is adequate.
6. Convert specifications to performance specifications.

DCMC San Francisco SPI Marketing Plan

Contractor: AAA

DCMC Focal Point: Deputy Commander

Previous SPI Contacts: Ltr Dated May 96

Prospect Target: COO and President AAA

Customer Involvement: Customer forum composed of program office representatives, but not component team leaders.

Planned Approach:

1. Customers contacted by Program Integrator (PI) by Jan 15 97.
2. DCMC Deputy to meet with Ktr by Jan 20 97.
3. PI improvement suggestions for Mgmt Council by Feb 11 97.
4. PI to be designated chair of AAA Mgmt Council.

SPI Plan #1 (AAA) Prepared Dec 17 97, Rev 0

DCMC San Francisco

High Potential SPI Contractors

Top SPI Management Council Contractors

<u>Contractor</u>	<u>OBLAmt</u>	<u>ULO Amt</u>	
AAA INC **	1,356,129,808	301,397,698	Scheduled 4-22-97
AAB INC **	9,408,241,685	236,202,000	Mgmt Council at York Pa
AAC INC **	2,368,478,220	188,229,738	
ABA INC **	3,144,892,863	182,780,495	Mgmt Council In Place
ABB INC **	3,411,696,566	161,683,452	Mgmt Council In Place
ABC INC	2,305,338,972	65,114,196	Mgmt Council In Place
ACA INC	73,107,873	49,564,311	
ACB INC	95,574,599	48,126,354	
ACC INC *	207,491,410	47,755,870	
BAA INC *	928,737,497	41,416,076	Scheduled 4-28-97
BAB INC	162,795,369	41,073,993	Mgmt Council In Place
BAC INC	394,642,981	33,001,016	
BBA INC	94,022,820	29,290,919	Mgmt Council In Place
BBC INC	177,502,163	27,033,651	
BCA INC	170,366,767	22,417,701	
BCB INC	121,477,625	19,925,504	Mgmt Council In Place
BCC INC	135,133,311	19,590,210	Mgmt Council In Place
CAA INC **	454,582,725	19,358,854	Mgmt Council In Place
CAB INC	34,069,398	18,736,170	Mgmt Council In Place
CAC INC	77,028,411	18,111,620	Mgmt Council In Place
Subtotal	25,121,311,063	1,570,809,827	88% of ULO
CBA INC	24,873,388	8,705,348	Mgmt Council In Place
CBB INC	19,802,093	8,415,817	
CBC INC	87,206,078	8,186,923	
CCA INC	72,876,696	6,750,972	
CCB INC	14,641,352	5,824,051	Scheduled 5-6-97
CCC INC	59,702,960	4,538,923	Drop - Low Potential
DAA INC	9,666,641	3,082,670	
DAB INC	49,921,261	2,828,554	Mgmt Council In Place
DAC INC	6,888,932	2,494,501	
DBA INC	98,542,731	1,946,230	
Subtotal	444,122,132	48,235,066	90% of ULO

** Top 200 Secondary Site

* Top 200 Primary Site

PROPOSED JOINT COUNCIL AGENDA

- ♦ **JOINT COUNCIL COMPRISED OF DCMC, DCAA, NAVAIR and SNC EXECUTIVE COUNCIL.**
- ♦ **RECOMMEND MONTHLY MEETINGS ALTERNATING BETWEEN RENO AND SACRAMENTO.**
- ♦ **LIMIT MEETING TIME TO 2 HOURS.**
- ♦ **SNC TO KEEP MEETING MINUTES AND ACTION ITEMS.**
- ♦ **AGENDA OUTLINE TO INCLUDE:**
 - ♦ STATUS OF CONCEPT PAPERS SUBMITTED AND IN THE PIPELINE.
 - ♦ DISCUSSION ON POTENTIAL CONCEPT PAPERS BASED ON SNC INITIATIVES OR OTHER PRIME CONTRACTOR SUBMITTALS.
 - ♦ DCMC/DCAA UPDATE ON SPI (CHANGES, PROGRESS, REVISIONS....)
 - ♦ ACTION ITEMS STATUS
 - ♦ ADJOURN

CONCEPT PAPER STATUS REPORT

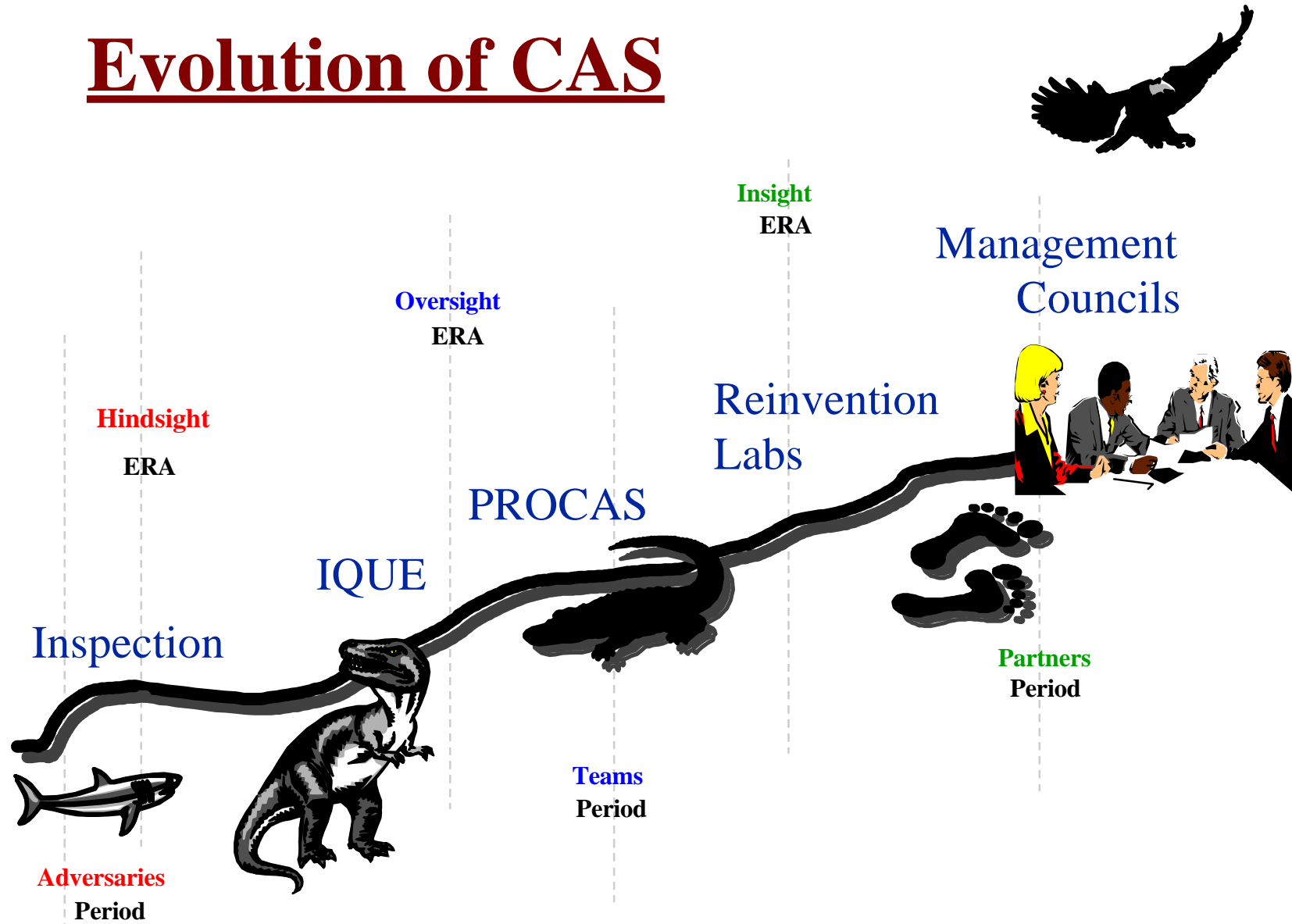
PROCESS DESCRIPTION	USG REQ'T	PROGRAM	NEW PROCESS	ASSIGNED TO	IMPLEMENT STATUS	APPROVED/ DISAPPROVED
SOLDERING REQUIREMENTS	MIL-STD-2000		USAGE OF ANSI/J-STD-001A	D. PARISH M.GARRISON	PREPARE AND SUBMIT CP BY 3/31/97	
USG PROPERTY ADMIN-USG REPORTING REQUIREMENTS	FAR 45.5	ALL	ADMIN AND SYSTEMS COST AVOIDANCE	D. PARISH R.OLSEN	PREPARE AND SUBMIT BY 4/15/97	
USG PROPERTY ADMIN - REDUCED/ CONSOLIDATED SYSTEM OVERSIGHT	FAR 45.511	ALL	MORE EFFICIENT USAGE OF RESOURCES	D. PARISH R.OLSEN	PREPARE AND SUBMIT BY 4/30/97	
USG PROPERTY ADMIN - ACCELERATED DISPOSITION PROCESS	FAR 45.6	ALL	REDUCED PROCESS TIME AND STORAGE	D. PARISH R.OLSEN	PREPARE AND SUBMIT BY 5/15/97	
PROGRESS PAYMENT REQUEST BY EDI		ALL	EXPEDITE DLA APPROVAL CYCLE	M. OZBEK	PREPARE AND SUBMIT BY 6/1/97	

Concept Paper Table of Contents

- Section I. Current/Proposed System Descriptions
 Background/Current System Description
 Proposed Concept/System Description
- Section II. Implementation/Transition Plan
- Section III. Cost/Benefit Analysis
 Requirements Impact
 Cost
 Risk Analysis
- Section IV. Management Involvement and Oversight
- Appendices (should include a minimum of):
 Milestone Chart
 Proposed Contract Amendment Language
 Effected Contracts Listing

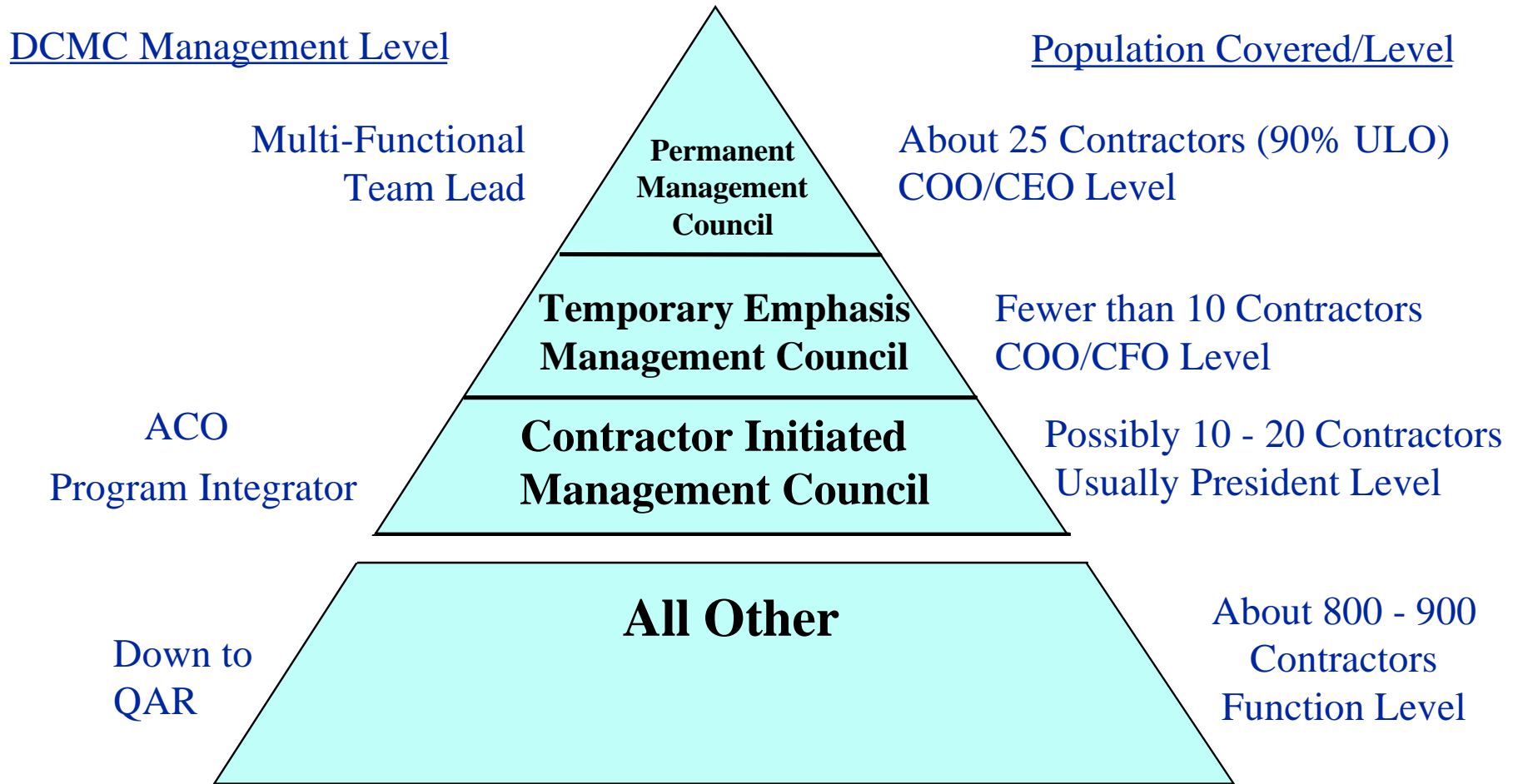
**Streamlining
and
Expanding the Role
of
Management Councils**

Evolution of CAS



Streamlined Management Council Structure

DCMC San Francisco Model



Management Council = Customer / DCAA Representation, General Management Focus, SPI Capable, “One Stop Shopping” for CAS

All Other = Transaction / Function Focus, could include Management Council type issues

Expanded Management Councils

Command & Control

- Commander / Deputy / Group Chiefs Set up Each Council
- Each Retains Oversight Responsibility for His / Her Councils
(Attend Meetings Periodically)
- Meeting Agenda / Minutes Required for All Councils
- Council Leaders Meet Monthly
- Insight Folders Available for Top Management Review
- Commander / Deputy Perform Telephone Checks with
Contractors / Customers Periodically

Management Councils

Getting Started

- Set Meeting Frequency (Monthly Recommended)
- Establish Participation Preferences
 - Contact Customers
 - Contact DCAA
- Establish Contractor and DCMC Members
- Prepare “Standard Agenda”
- Set Up “Insight File”
- Encourage Contractor to Set Up Issues File
- Gather Data for First Operational Meeting
- Develop Permanent Quick Reference File

Bottom Line : Single Management Forum for all CAS Issues

Management Councils

Standard Agenda

- Status of Current Process Improvements
- Future SPIs -- Process Improvements
- Results of “Insight”
- Issues and Concerns (Both Parties)
- Special Topics
 - a) Government Developments
 - b) Contractor Changes

Recommended NTE 2 Hours

Management Councils

On - Going Operations

- Hold Meetings Regularly
- Publish Minutes -- Action Oriented
- Keep Customers and DCAA Informed
- **Track** Block Changes
- Monitor Process Improvement Initiatives
- Discuss Insight Issues
- Brief Contractor on Developments
- Share Lessons with Other Teams

SPI Marketing Approach

Pleasant Surprises

- Industry VERY Enthusiastic
- Immediate Increase in Concept Papers
- Exposure for Team Leaders Strengthens Teams
- Excellent Opportunity to Skill Our Work force
in New Agenda

Expanded Management Councils

Beyond SPI

OEA : 1. Joint Audit Plan
 2. Cooperative Customer Effort to Help Contractor Improve Performance

Loral-WDL - Joint Final O / H Agreements Involving Contractor Risk Taking

NAC : 1. Building Effective Sell-Off Process for Critical Customers
 2. Joint Tracking of ISO Registration Progress

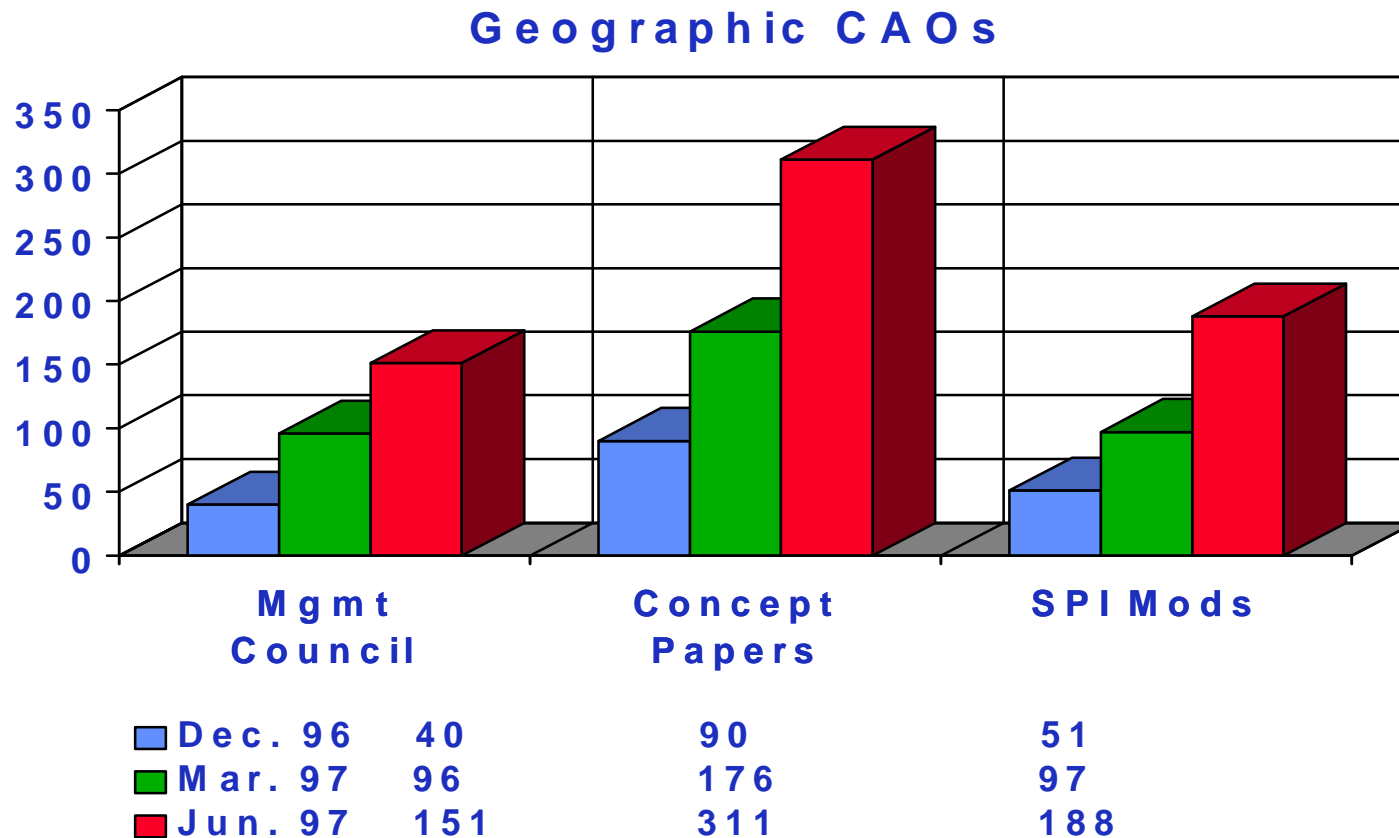
Global Associates - Contract Closeout Process Improvement

Quantic Industries - Explosive Safety Council

SPI Marketing Approach

Results and Forecast

Total Geographic CAOs	13
Total Contractors - Geographic CAOs	8415
Potential SPI Contractors	316



SPI in Geographic CAOs

Issues and Concerns

- Prime / Subcontract Relationships
- Low Awareness level of Smaller Customers
- Multiple Users (Inventory Control Points)
- Maintaining Momentum
- Command & Control

Summary

- SPI Can Work in Geographic CAOs
- Expanded Management Councils are an Evolutionary Step
- Variations from Large Contractor Model
 - a) Are Needed
 - b) Need to be Controlled
 - c) Provide Opportunities for Teaching / Mentoring
- Management Council Type Concepts can be Encouraged Even at Lower Levels